

FASAB Update  
Treasury Year-End  
Closing Seminar  
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# Affect of the New Board Structure

- ◆ Six non-federal and three federal members  
(7/1/02)
- ◆ Greater diversity of experience
- ◆ CBO member
- ◆ DoD liaison

# Outreach to Enhance Due Process

- ◆ More pre-release materials on the website ([www.fasab.gov](http://www.fasab.gov))
- ◆ Agenda Hearings
  - Current projects
  - Priorities for future projects
- ◆ Diligence in soliciting input

# Outlook for Priority Projects

- ◆ Conceptual Framework
- ◆ RSSI
- ◆ Trust Funds
  - Earmarking - Intra-governmental Investments
  - Fiduciary Activities
- ◆ Natural Resources

# **Conceptual Framework**

- ◆ **Reporting Objectives**
  - **How do they influence decisions?**
  - **Are they correct objectives?**
- ◆ **Elements and Statements**
  - **Have we defined all elements?**
  - **How do we build statements from elements?**

# Required Supplementary Stewardship Information (RSSI)

- ◆ Stewardship Responsibilities
  - Social Insurance
  - Risk Assumed
  - Current Services
- ◆ Heritage Assets and Stewardship Land
- ◆ Stewardship Investments

# Stewardship Responsibilities

- ◆ **SFFAS 25 in 90 Day Review (July 17<sup>th</sup>)**
- ◆ **SOSI = Basic Statement**
- ◆ **Risk Assumed = RSI**
- ◆ **CSA = Eliminated**
- ◆ **Effective FY 2005**

# **Heritage Assets/Stewardship Land**

- ◆ **Exposure Draft being developed**
- ◆ **Line on the balance sheet**
- ◆ **Non-financial information in the notes**
- ◆ **Parallels GASB and FASB work on museum collections**
- ◆ **AICPA audit guidance on museum collections**



# Trust Funds - What are they?

- ◆ Deposit Funds = Common usage of the term “trust fund”
- ◆ Federal “Trust Funds” = Reservation of funds for a specific government purpose
  - What is the nature of this “promise”?
- ◆ Private “Trust Funds” = Fiduciary

# Fiduciary Activities and “Trust Funds”

- ◆ Exposure draft (7/31/03)
- ◆ The money is not “federal money”
  - Sometimes is commingled with federal money
  - Sometimes is held separately
- ◆ Recognition on the balance sheet if the \$s are commingled – offsetting asset and liability
- ◆ Disclosures – statement of net assets and changes in net assets

# “Earmarked Revenues” and “Trust Funds”

- ◆ Not sure what to call the inflows BUT they are recognizable as revenues (the “earnings process” is complete)
- ◆ The “promise” to use the revenues in a particular way is not a liability.
- ◆ Current plan is to modify the model to show a “restricted” portion of “cumulative results”
  - The restriction is “internal” and can be changed
  - Understandability

# Natural Resources

- ◆ Focusing first on oil and gas
- ◆ Involving agencies in research
- ◆ Information on stocks/values/sales

# What's Next?

- ♦ **Major projects take several years to complete – generally 4-5 major efforts underway**
- ♦ **Increased need for staff level guidance**
  - **Verbal guidance offers references to relevant standards or programs at other entities**
  - **Written guidance demands communication**

# Future Projects

- ◆ Liabilities Issues
- ◆ Comprehensive project on PP&E
- ◆ Government Corporations
- ◆ Risk Assumed
- ◆ Linking cost and performance